

# National Hispanic Policy Institute, Inc.

Senator Efrain Gonzalez, Jr., NY.  
Chairman

June 30, 2004

Michael K. Powell  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

MB Docket No. 04-207

Dear Chairman Powell:

As Chairman of the National Hispanic Policy Institute, I am concerned with the "a la carte" cable proposal currently under debate in Congress. Its implementation will result in higher prices and ultimately the demise of ethnic, foreign-language and specialty channels that are vital to our cable system and to the American public.

Most basic cable networks rely on advertising for a significant portion of their revenue. Without it, they must rely on licensing agreements as their base for profit. The costs of licensing agreements are generally passed onto consumers.

Under the "a la carte" system, consumers would be able to choose and pay for only the channels they watch. This idea initially sound good. However, channels that have more specialized audiences will experience a decline in viewers. A decline in viewers means less money from advertising, decreased diversity and quality of programming, and higher costs passed onto consumers.

For too long, African - Americans, Hispanics and other minorities did not have programming that reflected their cultures and life experiences available. The explosion of cable programming over the past 20 years has provided numerous channels that reflect the diversity and experiences of all Americans. The "a la carte" system would destroy all progress we have made in cable programming to date.

Further, these groups will be further marginalized due to the inevitable increase in overall systems costs, which would require all consumers to have addressable converters to access "a la carte" programming. Fewer than half of U.S. cable households today subscribe to services requiring such converters. Thus, for the tens of millions of customers who rely on "cable-ready" television sets, there could potentially be a 30% increase in the cost of the equipment alone in addition to the added costs from the channel fees.

Tell Congress that you do not support the "a la carte" system. Ensure the future of our diverse cable programming line-up.

Sincerely,

A handwritten signature in dark ink, appearing to read "Efraim González, Jr.", with a stylized flourish at the end.

Senator Efraim González, Jr.

Cc: Commissioner Karen Q. Abernathy  
Commissioner Michael J. Copps  
Commissioner Kevin J. Martin  
Commissioner Jonathan S. Adelstein